

---

## Retirement

---

### Retirement System Legislation Passed by House

On May 23, 2019, the House of Representatives passed legislation containing the most significant changes in more than a decade to U.S. retirement plans. Among other changes, the legislation would extend the age at which required withdrawals must begin from age 70 1/2 to age 72. The legislation also provides for additional hardship withdrawals and a lifetime income provision focused on making annuities more available. A downside to the legislation is the potential elimination of the "Stretch IRA", leading to new potential estate planning concerns.

[Read more.](#)

### Historically Low Bond Yields

Market-linked income notes may offer a solution for investors to the low bond yields currently available. These notes are issued by financial institutions and pay a relatively high contingent yield based upon the performance of one or more underlying stock market indices.

These notes provide the potential for high yields in both increasing and decreasing stock markets. They may also miss one or more prescribed interest payments depending upon the performance of certain underlying market indices. While offering a measure of downside protection in a declining market, they may also expose an investor to a loss of principal should one of the underlying indices have a decline of 30% or more on the day of maturity.

Please contact your advisor to better understand how we construct an allocation of these income notes to mitigate their risks and provide a competitive alternative to a portion of assets that would otherwise be invested in more conventional bond investments.

---

## Market News

---

### Second Quarter Market Summary Through 6/30

Index/Market	YTD
S&P 500 Index	18.54%
DJ Industrial Average	15.40%
Russell 3000	18.71%
Russell 2000	16.98%
Nasdaq	21.33%
MSCI EAFE Index	14.03%
Barclays US Agg Bond	6.11%
10-Year U.S. Treasuries (Yield)	2.07%
WTI Crude Oil	28.90%
LBMA Gold Price	10.16%
CBOE Market Volatility	-40.68%

Index/Market	YTD
Consumer Disc	21.84%
Consumer Staples	16.18%
Energy	13.13%
Financials	17.24%
Health Care	8.07%
Industrials	21.38%
Information Technology	27.13%
Materials	17.26%
Real Estate	20.42%
Telecom Services	19.09%
Utilities	14.70%

Source: [Morningstar.com](https://www.morningstar.com)

The second quarter started slowly for equity markets after the first-quarter rally and moved lower in May as trade frictions increased between the U.S. and China, and between the U.S. and Mexico. However, in June, the Fed signaled a decrease in interest rates along with easing trade tensions resulting in a strong rebound.

## Tax Planning

### What Happens When You Work While Receiving Social Security?

Whether out of choice or necessity, it is becoming increasingly common for individuals to work past their full retirement age. Electing to receive Social Security payments while working can reduce the benefits you receive: to what degree, depends on your age and level of earned income.

If you work to or past your full retirement age, there is no reduction to your Social Security benefit for any earned income. If you were to elect to receive benefits prior to your full retirement age, benefits are reduced if your earned income exceeds certain thresholds. These thresholds are adjusted annually.

If an individual elects to receive Social Security benefits and is younger than their full retirement age for all of 2019, benefits are reduced by \$1 for every \$2 earned over \$17,640. This earnings threshold is increased in the year an individual attains full retirement age: Benefits would be reduced by \$1 for every \$3 earned over \$46,920. It's important to note that "earned income" represents total gross wages. Pre-tax deductions to retirement plans do not reduce the extent of the benefit reduction imposed by Social Security.

Any benefits reduced by Social Security are not lost. Benefits received past full retirement age will be adjusted to account for reductions in earlier years. It's also possible to increase benefits as you continue to work. Should those earnings represent some of your highest earning years, benefits will be recalculated.

Earned income can also increase the taxability of your Social Security payments. Social Security considers your "combined income" (1/2 of your Social Security + other income) when determining how much of your benefits are taxable:

	Single	Married Filing Jointly
Up to 50% of Benefits Taxable	\$25,000 – \$34,000	\$32,000 – \$ 44,000
Up to 85% of Benefits Taxable	\$34,000 +	\$44,000 +

More information can be found on [www.SSA.gov](http://www.SSA.gov).

## IRS Reports That Filings, Refunds Remain Off-Pace Compared To Last Year

"Tax season opened on January 28, 2019. As of the week ended March 29, the IRS has received 92,861,000 individual income tax returns. That compares with 94,139,000 individual income tax returns received by the same time last year, a drop of more than 1.2 million returns."

[Read more.](#)

---

## Cyber Security

---

### How to Manage Robocalls



Not surprisingly, a recent AARP survey found that an overwhelming number of U.S. adults find robocalls "annoying" and "disruptive." Robocalls have now made their way to both our cell phones and landlines. [This article](#) published on the AARP website in May 2019 noted that "since 2016, the volume of calls has increased from just over 29 billion to nearly 48 billion calls in 2018." Furthermore, "one in ten adults surveyed has fallen prey to a telephone scam at some point." These scams have cost U.S. consumers well over \$400 million in 2018.

Some robocalls are intended to provide important and legitimate information such as severe weather notifications, local crime alerts, results of medical tests, travel and restaurant reservation confirmations, but many others are scams or unwanted calls. Regardless of their intention, robocalls are an extremely efficient

and cost-effective method of contacting many people at once. Researchers found that respondents were more likely to respond to calls with negative messaging like notifications of financial or personal nonpublic information being compromised.

Just like other cyber hacking techniques such as phishing, scammers are evolving with the technology and using “spoofing” to trick consumers into answering a call. Current popular tactics used by phone scammers are using area codes that appear to be a local caller, using similar number patterns from phone numbers already in your contact list, or using first and last names on a caller ID rather than displaying unknown or no caller information.

What can we do to take control of these unwanted calls?

- Use common sense. Reject anonymous or unknown calls. If the call is important, they will leave a message.
- Join the [National Do Not Call Registry](#). Enter any landline or cellular number you want to list. You can also dial 1-888-382-1222 from the phone you wish to list to be added to the National Do Not Call Registry. Scammers do not always follow the rules but being added to the list is an added layer of protection. \*Note, there are exceptions to organizations that can still contact you, even if you are on the Do Not Call list.
- Take advantage of your phone carrier’s tools to block calls. Some of these tools require additional monthly fees but other options may be free of charge. Contact your phone carrier for additional information on services that may be available to you.
- Consider downloading and using a robocall blocking app on your cell phone. The top robocall blocking apps as [published in USA Today](#) include Nomorobo, Truecaller, Hiya – Caller ID & Block, or Call Control - Call Blocker.
- Report any suspected scams to the Federal Trade Commission or the state attorney general.

## USPS Informed Delivery

The United States Postal Service’s Informed Delivery Program allows you to digitally preview your mail and manage your packages in advance of the delivery of physical mail. A digital image of the envelope displays the address side of letter-sized mail pieces, so you know what you will be receiving before going to the mailbox. [It has been reported](#) that thieves are signing residents up for Informed Delivery unbeknownst to them: the thieves are then monitoring and stealing pieces of mail containing sensitive personal information for identity theft or credit card fraud purposes. Visit the [USPS website](#) to see if Informed Delivery is available in your area and check out their [FAQ](#).



---

## In Other News

---

**Reduce the Number of Account-Related Documents You Receive by Mail**

You can reduce the number of account-related documents and disclosures you are currently receiving by US Mail by updating the delivery preferences at the custodian of your account(s). This e-delivery option is generally found under the account settings menu once you have logged in to your account on the custodian's website.

If you have an account at Charles Schwab & Co., Inc., and have not enrolled in online access, go to [schwab.com](http://schwab.com) and click on "first time users" near the top right corner of the home page. You will need one of your account numbers and the cell phone number previously provided on your account application to complete the enrollment process.

In addition to Schwab, delivery preferences can be updated for your accounts held away from Schwab and for mailings provided by Collegiate Capital Management. Please contact us if you would like assistance updating any of your account delivery preferences. As always, some disclosures are required to be sent via mail. Switching to e-delivery may not eliminate all future mailings, such as fund prospectuses.

## What Dropping 17,000 Wallets Around The Globe Can Teach Us About Honesty

"So picture this: You're a receptionist at, say, a hotel. Someone walks in and says they found a lost wallet but they're in a hurry. They hand it to you. What would you do?

And would that answer be different if it was empty or full of cash?"

[Read more.](#)

Collegiate Capital Management, Inc. | (800) 333-1701 | [www.collegiatecapital.com](http://www.collegiatecapital.com)

STAY CONNECTED



*You are receiving this email because you are a client of Collegiate Capital Management, Inc. If you do not wish to receive this information please unsubscribe using the link below.*

Collegiate Capital Management, Inc. ("CCM") is a registered investment adviser with the U.S. Securities and Exchange Commission and is notice filed in various states. Any reference to or use of the terms "registered investment adviser" or "registered," does not imply that CCM or any person associated with CCM has achieved a certain level of skill or training. Information in this newsletter and on our website is provided for educational or informational purposes only. Opinions expressed herein are subject to change without notice. CCM has exercised reasonable professional care in preparing this information. The information has been obtained from sources we believe to be reliable; however, CCM has not independently verified, or attested to, the accuracy or authenticity of the information. CCM is not responsible for the accuracy of any third-party information in this newsletter, nor any sites that are referenced via links. CCM shall not be liable to customers or anyone else for the inaccuracy or non-authenticity of the information or for any errors of omission in content regardless of the cause of such inaccuracy, non-authenticity, error, or omission, except to the extent arising from the sole gross negligence of CCM. In no event shall CCM be liable for consequential damages.